Message Text

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TAGS: EAGR, EMIN, ENRG, ETRD

SUBJ: MINISTER OF INDUSTRY, COMMERCE, AND TOURISM DISCUSSES

SUGAR, OIL REFINERY, TEXTILES, BAUXITE, TRADE

DURING AMBASSADOR'S COURTESY CALL ON MINISTER OF INDUSTRY, COMMERCE, AND TOURISM, P.J. PATTERSON, LATER MADE THE FOLLOWING POINTS:

1. SUGAR: PATTERSON EXPRESSED HIS DISAPPOINTMENT THAT HOUSE HAD FAILED TO PASS LEGISLATION. GOJ HAD MADE CONSCIOUS EFFORT TO CHANGE PREVIOUS POLICY OF GIVING PRIORITY TO COMMONWEALTH. DESPITE EARLIER SHORTFALLS, CARICOM HAD SUCCESSFULLY SUPPLIED LARGE AMOUNT ON FIRST COME, FIRST SERVED BASIS THIS YEAR. HE WAS NOT CONCERNED SO MUCH ABOUT THE NEXT FEW YEARS (BECAUSE OF THE PRESENT SHORTAGE AND HIGH WORLD PRICE), BUT FOR THE LONG TERM SINCE THE AREA NEEDED ASSURED MARKETS. FAILURE OF THE LEGISLATION ALSO INCREASED THE DIFFICULTY OF NEGOTIATING WITH THE EEC.

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2. LUANA OIL REFINERY PROJECT: THE INITIAL CONTACTS IN KUWAIT AND

SAUDI ARABIA REGARDING SUPPLIES HAD BEEN SATISFACTORY AND A FOLLOW UP TEAM LEFT TODAY FOR ADDITIONAL DISCUSSIONS. JAMAICA WAS A LOGICAL SITE FOR A REFINERY SINCE THERE WERE FOUR KNOWN LOCATIONS WHERE WATER MORE THAN 200 FEET DEEP EXISTED WITHIN 400 YARDS OF SHORE. THE REFINERY PROJECT ENVISAGED EXPORT SALES TO THE US, ESPECIALLY SINCE THERE APPEARED TO BE STRONG ENVIRONMENTAL OPPOSITION TO ADDITIONAL REFINERY CAPACITY ON THE EASTERN SEABOARD, AND HE EXPECTED TO DISCUSS THIS WITH THE AMBASSADOR AT A LATER DATE. A FERTILIZER COMPONENT IS DEFINITELY PLANNED AND ITS IMPORTANCE RECOGNIZED. PATTERSON ALSO INDICATED THE ITALIANS WERE STILL INTERESTED IN THE PROPOSAL ALTHOUGH TO WHAT EXTENT WAS NOT CLEAR.

- 3. TEXTILES: THE GOJ IS PREPARING FOR NEGOTIATIONS WITH THE US WHEN THE PRESENT BI-LATERAL AGREEMENT EXPIRES IN SEPT. HE HOPED TO NEGOTIATE MORE LIBERAL AND FLEXIBLE PROVISIONS WHICH WOULD BETTER REFLECT JAMAICA'S ACTUAL EXPORTS. THE AGREEMENT WAS ESPECIALLY IMPORTANT SINCE THE GOJ PLANNED TO REVITALIZE THE LOCAL GARMENT INDUSTRY.
- 4. BAUXITE: THE MINISTER SAID HE WAS DISAPPOINTED THAT THE REVENUE ISSUE HAD NOT BEEN RESOLVED SATISFACTORILY THROUGH NEGOTIATIONS. HE CONFIRMED THE IMPRESSION LEFT BY FINANCE MINISTER COORE AND OTHER THAT THE GOJ WAS PREPARED TO BE MORE FLEXIBLE IN ITS APPROACH ON THE REMAINING ISSUES TO BE DISCUSSED WITH THE COMPANIES.
- 5. TRADE: AFTER INQUIRING ABOUT THE STATUS OF THE US TRADE BILL,
 PATTERSON SAID THE GOJ'S PRODUCT LIST WAS READY AND WOULD BE SUBMITTED TODAY TO THE CARICOM SECRETARIAT WHICH HAD COORDINATION RESPONSIBILITY. REFERRING TO PREVIOUS REPRESENTATIONS
 DURING SECRETARY ROGER'S VISIT TO JAMAICA LAST YEAR, HE EXPRESSED
 CONCERN ABOUT THE PRESENT ICT REGULATIONS AND SAID HE UNDERSTOOD
 THESE WERE BEING REVISED. THE GOJ WAS AWARE OF THE EFFECT OF
 CRIME ON THE TOURIST INDUSTRY AND MAKING A GREAT EFFORT TO COMBAT
 THE PROBLEM ALTHOUGH ADMITTEDLY THIS WAS A LONG TERM PROPOSITION.

COMMENT: THE MINISTER MADE CLEAR HIS AWARENESS OF THE LONG-TERM IMPORTANCE AND NECESSITY FOR JAMAICA OF CLOSE ECONOMIC COOPERATION WITH THE US. AS WITH ALL THE MINISTERS I HAVE SEEN TO DATE, HE LIMITED OFFICIAL USE

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REGRETS THE LACK OF AGREEMENT BY NEGOTIATION BETWEEN THE COMPANIES AND THE GOJ ON THE BAUXITE TAXATION ISSUE BUT FEELS NO COMPUNCTION TO JUSTIFY THE UNILATERAL MEASURES TAKEN. THE ASSUMPTION, WHICH PATTERSON ALSO REFLECTED, SEEMS TO BE THAT, INASMUCH AS USG WAS INFORMED BEFOREHAND OF GOJ INTENTIONS, WE CAN HAVE NO COMPLAINT, AND THAT IT WILL BE BUSINESS AS USUAL. I POINTED OUT, AS I HAVE WITH THE OTHERS, THAT THERE COULD BE UNFORSEEN FALL-OUTS.

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